

Salvatore Ferragamo

**1Q 2021
Results Update**

Analyst Presentation

May 11, 2021 - 6.00 PM CET



Disclaimer

This presentation contains forward-looking statements regarding future events and results of the Company that are based on the current expectations, projections and assumptions of the management of the Company.

The actual results may differ materially from those expressed in any forward-looking statement and the Company does not assume any liability with respect thereto.

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The Manager in Charge of preparing the Company financial reports hereby certifies pursuant to paragraph 2 of art. 154-bis of Legislative Decree no. 58 of February 24, 1998, that the accounting disclosures of this document are consistent with the accounting documents, ledgers and entries.

1Q 2021 Financial Review



Salvatore Ferragamo SS 21 Advertising Campaign

1Q 2021 Revenue By Distribution Channel

(Euro MM)	March YTD				Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %	Δ % Const FX		
Retail	166.7	142.3	17.2%	20.8%	68.1%	64.2%
Wholesale	75.9	76.4	-0.7%	0.3%	31.0%	34.5%
Licences & Other Rev.	1.5	2.2	-31.6%	-31.6%	0.6%	1.0%
Rental income	0.6	0.9	-33.7%	-27.5%	0.2%	0.4%
Total	244.6	221.7	10.3%	13.0%	100.0%	100.0%

- Total Revenues at 245M Euros, up 10.3% (+13.0% at const. FX) vs. 1Q'20.
- RTL up 17.2% (+20.8% at const. FX) in 1Q'21, with Like-for-like at +14.7% and primary channel overperforming.
- WHL flat (-0.7% at cur. FX and +0.3% at const. FX) in 1Q'21, despite the persistent negative trend of the Travel Retail channel.
- Group's store network at 638 points of sale, of which 390 DOS and 248 TPOS.

1Q 2021 Revenue By Region

(Euro MM)	March YTD				Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %	Δ % Const FX		
Europe	47.3	59.5	-20.5%	-22.5%	19.3%	26.8%
North America	58.5	53.2	9.9%	18.2%	23.9%	24.0%
Japan	22.1	24.4	-9.4%	-6.5%	9.0%	11.0%
Asia Pacific	104.6	69.4	50.6%	51.7%	42.7%	31.3%
Latin America	12.2	15.2	-20.1%	-10.0%	5.0%	6.9%
Total	244.6	221.7	10.3%	13.0%	100.0%	100.0%

- APAC, representing over 42% of total sales, up 51.7% at const. FX in 1Q'21, with China RTL up >128% at const. FX vs. 1Q'20 and +39.4% vs. 1Q'19.
- Japan down 6.5% at const. FX vs. 1Q'20, penalized by the pandemic restrictions.
- EMEA down 22.5% at const. FX vs. 1Q'20, still strongly penalized by lock-downs and lack of tourists' flows.
- North America solidly up 18.2% at const. FX vs. 1Q'20.
- LatAm down 10.0% at const. FX vs. 1Q'20, with a positive trend in all markets with the exception of Mexico, due to the continued lock-down.

1Q 2021 Revenue By Product

(Euro MM)	March YTD			Δ % Const FX	Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %			
Shoes	99.2	91.9	8.0%	11.9%	40.5%	41.4%
Leather goods & handbags	106.8	90.4	18.2%	19.6%	43.6%	40.7%
RTW	12.4	12.9	-3.9%	-1.0%	5.1%	5.8%
Silk & other access.	13.7	13.6	0.9%	3.7%	5.6%	6.1%
Fragrances	10.5	10.0	5.3%	7.3%	4.3%	4.5%
Licences & Other Rev.	1.5	2.2	-31.6%	-31.6%	0.6%	1.0%
Rental income	0.6	0.9	-33.7%	-27.5%	0.2%	0.4%
Total	244.6	221.7	10.3%	13.0%	100.0%	100.0%

➤ Shoes (+11.9% at const. FX vs. 1Q'20) and Leather Goods & Handbags (+19.6%) representing over 84% of total turnover.

1Q 2021 P&L

(Euro MM)	March YTD				
	2021	%	2020	%	Δ %
Total revenue	244.6	100.0%	221.7	100.0%	10.3%
Cost of goods sold	(87.6)	-35.8%	(91.5)	-41.3%	-4.2%
Gross profit	157.0	64.2%	130.2	58.7%	20.6%
Total operating costs	(149.7)	-61.2%	(166.6)	-75.1%	-10.2%
EBIT	7.4	3.0%	(36.3)	-16.4%	nm
Financial income (expenses)	(1.0)	-0.4%	(7.3)	-3.3%	-86.5%
Financial ROU	(3.3)	-1.4%	(4.3)	-1.9%	-23.1%
EBT	3.1	1.3%	(47.9)	-21.6%	nm
Taxes	(3.7)	-1.5%	6.5	2.9%	nm
Net income	(0.6)	-0.2%	(41.4)	-18.7%	-98.6%
Group net income	(1.2)	-0.5%	(39.1)	-17.6%	-96.8%
Income to minorities	0.7	0.3%	(2.4)	-1.1%	nm
EBITDA	47.7	19.5%	11.6	5.2%	>100%

- Gross Profit +20.6% to 157M Euros, with incidence on Revenues +550 bps to 64.2%, mainly thanks to positive geographic, channel and product mix, increase of full-price sales and lower provisions for obsolescence.
- Opex down 10.2% (-6.8% at const. FX), due to the costs' optimization activated in 2020 and mainly regarding the streamlining of the organization.
- EBIT positive for 7M Euros vs. 36M Euros negative in 1Q'20.
- Net Profit at breakeven vs. 41M Euros negative in 1Q'20.

1Q 2021 Balance Sheet

(Euro MM)	Mar 21 YTD	Mar 20 YTD	%
Tangible assets	212.426	280.358	-24.2%
Intangible assets	43.340	40.194	7.8%
Right of Use	474.585	551.752	-14.0%
Financial assets	–	–	
Fixed assets	730.352	872.305	-16.3%
Inventory	356.189	392.327	-9.2%
Trade receivables	99.028	93.651	5.7%
Trade payables	(134.461)	(151.914)	-11.5%
Operating working capital	320.756	334.065	-4.0%
Other assets (liabilities)	100.678	88.077	14.3%
Net Asset Disposal for Sales	–	–	
Employee Benefit Liabilities	(11.441)	(12.150)	-5.8%
Provisions for risks and charges	(14.387)	(13.783)	4.4%
Net invested capital	1,125.957	1,268.513	-11.2%
Shareholders' equity (A)	724.175	737.079	-1.8%
Group equity	706.317	716.858	-1.5%
Minority interest	17.858	20.221	-11.7%
Current financial liabilities	(167.554)	(182.704)	-8.3%
Non current financial liabilities	(575.057)	(540.148)	6.5%
Cash & Cash equivalents	340.829	191.416	78.1%
Net debt (B)	(401.782)	(531.435)	-24.4%
Financial sources (A-B)	1,125.957	1,268.513	-11.2%
Net debt (B)	(401.782)	(531.435)	-24.4%
Non Current Lease Liabilities	465.996	540.148	-13.7%
Current Lease Liabilities	104.528	114.650	-8.8%
Lease Liabilities	570.524	654.798	-12.9%
Net debt Adjusted	168.742	123.363	36.8%

- Net Working Capital down 4.0%, with continuing efficiency in Inventory, decreasing by 9.2% (-12.5% at const. FX).
- Investments (CAPEX) at 6M Euros, vs. 5M Euros in 1Q'21, mainly driven by retail network renovations and investments in the digital channel .
- Net Financial Position adj. (ex. IFRS16 impact) at 31 March 2021 positive for 169M Euros, compared to 123M Euros positive as of 31 March 2020. Including IFRS16 effect, the Net Financial Position at 31 March 2021 is negative for 402M Euros.



Group POS Number by Region @ 31.03.2021

	Act March '21	Act December '20	Net Openings in the period
Europe	155	156	-1
USA	95	96	-1
Latin America	60	62	-2
Asia Pacific	260	262	-2
Japan	68	68	0
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Total POS n.	638	644	-6
<i>DOS</i>	<i>390</i>	<i>395</i>	<i>-5</i>
<i>TPOS</i>	<i>248</i>	<i>249</i>	<i>-1</i>

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Q&A

